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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION  
C-04-4419 SI

HENRY RAMSEUR, Derivatively on behalf  
of CALLIDUS SOFTWARE INC., a  
DELAWARE CORPORATION,

Plaintiff,

v.

GEORGE JAMES, R. DAVID SPRENG,  
TERRY L. OPDENDYK, MICHAEL A.  
BRAUN, JOHN R. EICKHOFF,

**(PROPOSED) ORDER AND FINAL  
JUDGMENT APPROVING  
SETTLEMENT**

CHRISTOPHER W. CABRERA and  
REED D. TAUSSIG,

Defendants.

– and –

CALLIDUS SOFTWARE INC., a  
DELAWARE CORPORATION,

Nominal Defendant.

This matter came before the Court on October 27, 2006, pursuant to the Court's Preliminary Approval Order dated August 11, 2006, on the application of the parties for final approval of the proposed settlement (the "Settlement") of this derivative action described in the Stipulation of Settlement, dated as of August 10, 2006 and filed with the Court on August 11, 2006 (the "Stipulation").

Due and adequate Notice having been given to the shareholders of Callidus Software Inc. ("Callidus") as required by the Preliminary Approval Order, the Court having considered all papers filed in connection with the proposed Settlement and having concluded that the Settlement is fair, reasonable and adequate and in the best interests of Callidus, and good cause appearing therefor, it is hereby

ORDERED, ADJUDGED and DECREED as follows:

1. This Court has jurisdiction over the subject matter of this action and over all of the parties to this action.

2. Pursuant to Rule 23.1 of the Federal Rules of Civil Procedure ("Rule 23.1"), the Court approves the Settlement described in the Stipulation, finds that in all respects the Settlement is fair, reasonable and adequate and in the best interests of Callidus, and directs the parties to perform the terms set forth in the Stipulation.

3. This action, all claims contained therein, and all claims released in paragraph 3 of the Stipulation are dismissed with prejudice. Except as otherwise provided in the Stipulation, the parties shall bear their own costs, expenses and attorney's fees.

1           4.       Upon the Effective Date of the Settlement, as described in paragraph 8 of  
2 the Stipulation, Callidus, and each of its present or former shareholders to the extent they seek to  
3 sue derivatively on its behalf, shall be deemed to release and forever discharge each of the  
4 defendants and other parties described in paragraph 3 of the Stipulation from and against all  
5 Claims described in said paragraph 3. All Callidus shareholders are hereby forever barred and  
6 enjoined from prosecuting any Claims released in said paragraph 3.

7           5.       The mailing and posting of the Notice in the manner described in the  
8 Preliminary Approval Order constitutes due and adequate notice under Rule 23.1 and satisfies the  
9 requirements of due process.

10          6.       Jurisdiction over all matters relating to consummation of the Settlement is  
11 hereby reserved in this Court.

12          Dated:       10/27/06  
13 \_\_\_\_\_



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15 \_\_\_\_\_  
United States District Judge